



Tariff Response Plan

# PROTECTING OUR FUTURE



*Islanders,*  
Prince Edward Island has always been defined by our resilience, our innovation, and our deep-rooted commitment to building a brighter future for generations to come.

As your Premier, I am proud to present our government's Tariff Response Plan—a strategic initiative designed to safeguard our economy, protect our industries, and support the hardworking Islanders who drive our prosperity.

This plan is a direct response to the economic challenges posed by recent tariff policies. We recognize the impact these measures have on our businesses, farmers, fishers, and manufacturers—sectors that are the backbone of our province's success.

*Simply put:* **This plan is about Protecting our Future.**

That is why our government is committed to taking proactive steps to mitigate these effects and ensure that Prince Edward Island remains strong, competitive, and forward-focused.

Our response is built on collaboration, collecting and analyzing relevant and up-to-date information, planning, and acting accordingly when tariffs are implemented. We will work closely with industry leaders, business owners, and workers to identify innovative solutions and advocate for fair trade policies that support our local economy. Through financial assistance, market diversification strategies, and enhanced support programs, we will help businesses adapt, grow, and seize new opportunities.

Prince Edward Island has faced challenges before, and time and again, we have proven that together, we can overcome them. With this plan, we are taking decisive action to protect jobs, strengthen key industries, and lay the foundation for long-term economic sustainability. By standing united and working collaboratively, we will ensure a prosperous future for our province.

While we might feel like the only thing that is certain right now is uncertainty – I want Islanders and all Canadians to know that your government is doing everything we can to protect our future as a province and as a country.

Thank you for your ongoing dedication and resilience. Together, we will continue to build a strong and thriving Prince Edward Island—one that is prepared for today's challenges and ready for tomorrow's opportunities.

Sincerely,



Hon. Rob Lantz  
*Premier of Prince Edward Island*



# CABINET COMMITTEE ON TRADE RELATIONS

The Cabinet Committee on Trade Relations was formed in December 2024 to strengthen the relationship between Prince Edward Island and our American partners and to coordinate the internal response to possible trade disruptions should they occur.



**Hon. Rob Lantz**  
Premier of Prince Edward Island



**Hon. Bloyce Thompson**  
Deputy Premier,  
Minister of Agriculture,  
Minister of Justice, Public Safety  
and Attorney General



**Hon. Jill Burridge**  
Minister of Finance



**Hon. Zack Bell**  
Minister of Fisheries, Tourism,  
Sport and Culture



**Hon. Darlene Compton**  
Minister of Economic  
Development, Innovation  
and Trade

# Quick facts on trade

## Canada – U.S. Trade

- Canada is the United States' largest trading partner, with a highly integrated economic relationship that spans a wide range of industries and sectors. This partnership fuels mutual prosperity, strengthens the resilience of both economies and brings shared benefits to both sides of the border.
- Bilateral trade is substantial, approaching nearly U.S. \$1 trillion annually—equivalent to U.S. \$2.5 billion every day.
- Canada is the #1 destination for U.S. exports, purchasing more U.S. goods than China, Japan, France, and the UK combined.
- Our geographic proximity and Canada's abundance of natural resources make Canada a trusted and stable supplier for the U.S.
- Canada is a major source of critical minerals, food, energy, and other essential inputs, which strengthens the industrial base and economic resilience of both countries.
- The New England region exported \$10.9 billion CDN in goods to Canada in 2023, with aerospace and medical sectors contributing significantly.

## PEI's Role in Canada – U.S. Trade

- Prince Edward Island plays a vital role in strengthening trade between the U.S. and Canada, fueling businesses, creating jobs, and contributing to the growth of economies across the U.S.
- Nearly 75% of PEI's exports go to the U.S., making it PEI's largest trading partner.
- Trade with the U.S. accounts for \$1.8 billion of PEI's gross domestic product.
- PEI is committed to collaborating with U.S. partners—from businesses to governments—to ensure our longstanding relationships continue to deliver benefits for both sides of the border.



While we had hoped that the world's longest undefended border would remain open and free for trade without tariffs, the Government of Prince Edward Island must act and implement its response now that tariffs have been imposed.



## TARIFF RESPONSE PLAN OVERVIEW:

This plan illustrates the preliminary plan, based on what is known at the time of release, to best position our province to stabilize the economy. In the face of uncertainty, we expect that our plan will change and adapt. Our goal will always be to remain nimble and work with our industries to ensure Island businesses are able to compete on a local, national and global scale.

### OUR APPROACH

Planning is extremely challenging when there is a lack of clarity, certainty or details about what measures will be taken by the US Administration. We will work with industry to stay current and on top of changes as they happen, and to plan as effectively as we can for what is unknown.

The plan focuses on three critical areas:

- **ASSESS & PLAN** – The Government of PEI has been preparing for the implementation of U.S. tariffs and trade restrictions. To respond effectively, we have assessed the impacts on Island industries, engaged with partners to support businesses, and begun implementing measures to mitigate disruptions and protect our economy.
- **ADVOCATE** – It is critical that Islanders and Canadians continue to advocate on both sides of the border, engaging key individuals, industries, and businesses. Tariffs will also affect American industries, making it essential to raise awareness about their broader economic impact.
- **ACT** – Now that the U.S. Administration has implemented tariffs, the Government of PEI will act to respond, taking necessary steps to support Island businesses, protect local industries, and mitigate the impacts on our economy.

## ASSESS & PLAN

Given the level of uncertainty and the rapidly changing trade environment, assessment will be an ongoing process and challenge. Coordination and communication across government, with our federal, provincial and territorial colleagues, and industry will be critical to our success at adapting and weathering the economic changes and challenges ahead.

Action	Status
Establish a Cabinet Committee on Trade Relations responsible for oversight and strategy related to the evolving trade relationship with the U.S.	COMPLETE
Review past government support programs that were launched during times of economic uncertainty.	COMPLETE
Engage with the Government of Canada to understand planned retaliatory measures and the support & relief measures they intend to launch so that provincial support and relief measures can be complementary to the federal programs.	ONGOING
Collect information from Island businesses who export to the U.S. to have accurate and up-to-date information to make decisions on if tariffs are implemented.	ONGOING
Assess new initiatives or existing initiatives to help Canada meet the proposed objectives by the U.S. to reduce or eliminate the risk of tariffs.	ONGOING
Engage key stakeholders, industry associations, and PEI businesses who export to collect information and feedback and share what we know of the evolving trade situation with the U.S.	ONGOING
Establish a working group to remove internal trade barriers in collaboration with trade ministers across the country and the business community.	ONGOING
In collaboration with Labour Market Ministers across the country, establish a working group to increase labour mobility for professions across Canada.	ONGOING
Review all government contracts with U.S. businesses and organizations and look to limit procurement for U.S. based companies moving forward.	ONGOING

## ADVOCATE

PEI products are world-class and we should never be shy to advocate for our place on the national or global stage. This includes advocating for increased access and opportunities for PEI companies across Canada as well as working to ensure Americans know the value the trading with PEI and Canada.

Action	Status
Lead a Team PEI Mission to New England States to create a coalition of U.S. companies, allies, and influencers.	COMPLETE
Launch an educational campaign in the New England states about the longstanding trade relationship between Canada and the U.S.	COMPLETE
Collaborate with our counterparts from across Canada on a Team Canada approach.	ONGOING
Advocate to the federal government to remove tolls on bridge and ferry as a means of improving market access for PEI goods and services.	ONGOING
Share information with local stakeholders and stakeholders in the U.S., such as the New England Business Council, etc.	ONGOING
Work with provinces and territories to encourage them to purchase PEI products rather than importing from the U.S. and work with local industry associations and business organizations to promote support of local businesses and products.	ONGOING
Leverage longstanding relationships with Governors from across the U.S. and cultivate new relationships to share how free trade has benefited both Americans and Canadians.	ONGOING



## ACT:

The Government of PEI has been preparing to respond to the tariffs and trade restrictions implemented by the U.S. Administration. We remain committed to supporting Island industries, protecting local businesses, and advocating for fair and stable trade policies that benefit our province.

Action	Status
Removing US products from the Liquor Control Commission catalogue if/when U.S. tariffs are implemented.	IN PROGRESS
Launch a shop local campaign in partnership with PEI Chambers of Commerce, encouraging Islanders to shop and buy local products.	COMPLETE
Launch the Export Enhancement and Diversification Fund, which will provide non-repayable assistance covering up to 60% of eligible costs, to a maximum of \$32,000. Eligible expenses include market research, advertising, trade shows (including travel), and market strategies.	COMPLETE
Working with industries as Team PEI, identify new trade and market shows in key global markets that provide opportunities for PEI exporters to help cultivate new customers.	ONGOING
When U.S. tariffs are implemented; the Government of PEI will launch the Tariff Working Capital Program to provide immediate support to impacted Island businesses. This program will offer capital relief, helping businesses maintain operations, preserve jobs, and invest in alternative supply chain strategies to adapt to the changing trade landscape.	IN PROGRESS
Ensure SkillsPEI is ready to support workers should they be impacted by economic changes.	IN PROGRESS
Establish a transportation working group to assess opportunities to get PEI goods to new markets & assess critical export infrastructure to determine suitability and viability of establishing new shipping/export corridors with new/existing markets (ie. Air Cargo, Ports, etc.)	IN PROGRESS
Establish an advisory group made up of industry leaders to help advise the Cabinet Committee on Trade Relations & provide strategic advice on supports to help Island businesses once the details of tariffs are known	IN PROGRESS
Introduce legislation, similar to Nova Scotia, and work with federal, provincial and territorial counterparts on legislative and regulation changes that will remove internal trade barriers and increase labour mobility.	IN PROGRESS

# Export and Trade Support Initiatives

With new U.S. tariffs now in effect, the Government of PEI is committed to supporting Island businesses through these challenges. We are actively assessing the impacts on key industries, working with partners to advocate for fair trade, and providing targeted support to help exporters adapt. Our focus is ensuring businesses have the resources and tools needed to navigate these changes and remain competitive.

## ○ **Export Enhancement and Diversification Fund**

Provides non-repayable assistance covering up to 60% of eligible costs, to a maximum of \$32,000. Eligible expenses include market research, advertising, trade shows (including travel), and market strategies.

## ○ **Tariff Working Capital Program**

Offers financial relief to businesses affected by tariffs, helping them sustain operations, protect jobs, and explore alternative supply chains. Loans range from 6 months to 6 years, with interest-only payments for the first 12 months, followed by structured principal payments over five years.

## ○ **Expanded Trade Missions**

Innovation PEI is doubling trade missions for Island exporters. An up-to-date trade calendar is available online, featuring planned missions across Canada, Europe, Southeast Asia, and the Mexico/Caribbean region. Future missions will be guided by client feedback and market research.

## ○ **Information & Education**

A dedicated online hub will provide tariff-related resources, including webinars, funding program details, survey links, and the trade mission calendar.

## ○ **Ongoing Program Support**

Existing Innovation PEI programs will continue to assist businesses in navigating tariff challenges. Enhanced outreach will ensure companies are aware of available supports for operational investment, productivity improvements, and supply-chain diversification.



## CONCLUSION

Prince Edward Island has always been able to adapt, pivot when needed, and rise to the challenges before us. While there are still unknowns ahead, one thing is certain—our government remains committed to keeping Islanders, businesses, and organizations informed every step of the way.

Listening, collaborating, and taking action will be key to protecting our industries and supporting the hardworking Islanders who drive our economy. By staying united and focused, we can navigate this uncertainty and position the province for long-term success.

Adapting to challenges is nothing new for us. By working together and staying focused, we will protect the future and ensure our province continues to grow and thrive.



Through collaboration, innovation, and resilience, we will adapt to challenges, advocate for fair trade policies, and build a prosperous future for our province.

Together, we will overcome uncertainty and continue to thrive on a local, national, and global scale.

